

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 699 - SB 1223

March 18, 2015

SUMMARY OF ORIGINAL BILL: Establishes requirements and protections for healthcare providers that practice telehealth. Defines “telehealth” or “telemedicine” as the use of real-time audio, video, or other electronic media and telecommunications technologies that enable interaction between the healthcare provider and the patient, or also store-and-forward telemedicine services for the purpose of diagnosis, consultation, or treatment of a patient in another location where there may be no in-person exchange.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004235): Establishes that a healthcare provider practicing telehealth uses the same standard of care of professional practice as a similar license of the same practice area or specialty that is providing the same healthcare services through in-person encounters. The definition of healthcare provider with regards to the practice of telehealth includes any state-contracted crisis service provider employed by a facility licensed under Tenn. Code Ann. Title 33. Removes language in the original bill, effectively making these provisions applicable to a physician licensed in another state when such physician is called in consultation by a licensed physician of this state and also makes these provisions applicable to the informal practice of medicine in the forum of uncompensated consultations with regard to the frequency of the consultations.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 56-7-1002, telehealth services, including store-and-forward telemedicine services are currently required to be provided to any beneficiary of a health insurance policy offered by a licensed health insurance entity in this state, including plans administered by the Division of Health Care Finance and Administration (HCFA), are required to be reimbursed at a rate consistent with what the health insurance policy or contract provides for in-person encounters for the same service, whether proved by a health insurance provider in-network or out-of-network.

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- Based on information provided by HCFA, telehealth services are covered under TennCare, CoverKids, and AccessTN. The provisions of the bill will not significantly affect current services.
- Both carriers of the healthcare plans administered by the Department of Finance and Administration, Division of Benefits Administration, currently cover telehealth services; therefore, this will not impact the state sponsored health plans.
- The provisions of the bill will not significantly affect the oversight or regulatory functions of the Department of Commerce and Insurance or the Department of Health.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

/jdb